

# **Indiana Long Term Care Insurance Program**

## **Quarter 3-2009 Report**

July 1, 2009 through September 30, 2009



**Completed on December 21, 2009**

## **QUARTERLY SUMMARY REPORT – INDIANA**

	<b>QUARTER 3-2009</b>	<b>TO DATE</b>
<b>Applications Received:</b>	<b>540</b>	<b>54,225</b>
<b>Applications Denied:</b>	<b>108</b>	<b>8,466</b>
Applications Pending & Withdrawn:	N/A	<b>766</b>
<b>Policies Purchased:</b>	<b>465</b>	<b>46,525</b>
Policies Dropped (voluntarily & for unknown reasons*):	145	5,376
Policies Not Taken Up: (dropped within 30 day free look period)	18	2,404
<b>Total Policies In Force (active):</b>	<b>N/A</b>	<b>36,979</b>
Policyholders Who Received Service Payments:	<b>280</b>	<b>810</b>

*\* Does not include drops reported as deaths, rescissions or exhausted benefits.*

**Indiana Long Term Care Insurance Program:  
Statistics for Quarter Ending September 30, 2009  
In Comparison To Cumulative Program Statistics**

	<b>Quarter ending 9-30-2009</b>	<b>Cumulative as of 9-30-2009</b>
<b>Total Policies Purchased</b>	465	46,525
<b>Total Policies Dropped *</b>	<u>255</u>	<u>9,335</u>
	Died 85 (33.33%)	Died 1,373 (14.71%)
	Voluntarily 48 (18.82%)	Voluntarily 2,382 (25.52%)
	Unknown 97 (38.04%)	Unknown 2,994 (32.07%)
	Not Taken Up 18 (7.06%)	Not Taken Up 2,404 (25.75%)
	Converted 0 (0.0%)	Converted 77 (0.82%)
	Exhausted Benefits 2(0.78%)	Exhausted Benefits 60 (0.64%)
	Rescission 0 (0.0%)	Rescission 2 (0.02%)
	Non-Forfeiture 5 (1.96%)	Non-Forfeiture 43 (0.46%)
<b>Policies Not Taken Up During 30 Day Free Look</b>		
<b>Policies in Force</b>	N/A	36,979

*\*Does not include exhausted or rescissions.*

***This information was based on quarterly and cumulative policies in force.***

<b>Nursing Home and Home Care Policies.</b>	462 (99.35%)	33,692 (91.11%)
<b>Nursing Home Only Policies</b>	3 (0.65%)	3,270 (8.84%)
<b>First Time Purchasers</b>	457 (98.28%)	35,210 (95.22%)
<b>Upgrades or Replacements</b>	8 (1.72%)	1,751 (4.74%)
<b>Individual</b>	426 (91.61%)	34,987 (94.61%)
<b>Group Certificates</b>	0 (0.00%)	284 (0.77%)
<b>Organization Sponsored</b>	39 (8.39%)	1,690 (4.57%)
<b>Male</b>	200 (43.01%)	15,952 (43.14%)
<b>Female</b>	265 (56.99%)	21,010 (56.82%)
<b>Married</b>	388 (83.44%)	29,510 (79.80%)
<b>Not Married</b>	75 (16.13%)	7,102 (19.21%)
<b>Unknown</b>	1 (0.22%)	353 (0.95%)
<b>Civil Union or Domestic Partner</b>	1 (0.22%)	14 (0.04%)

# INDIANA LONG TERM CARE INSURANCE PROGRAM

## Statistical Summary

**Period: July 1, 2009 – September 30, 2009**

Report Prepared 12-21-2009

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending September 30, 2009, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter were 465!**
- **Cumulatively, 54,225 applications have been submitted with over 46,525 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased. For example, 99.35% of all policies purchased in Q3'09 were comprehensive while less than 1% were for nursing home only.**
- **Cumulatively, the number of comprehensive policies purchased has increased from 90% of all sales in (Q3'08) to 91% of all sales in (Q3'09).**
- **80.2% of policies purchased during Q3'09 qualify for Total Asset Protection. Cumulatively, 78% of all policies purchased qualify for Total Asset Protection.**
- **98.3% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 60.8. Age range of purchasers is 18 to 89.**
- **Cumulatively, 74% of all policyholders were age 65 or under at the time of purchase.**

**Indiana Long Term Care Insurance Program**  
**Fact Sheet For Quarter 3, 2009**

**PARTICIPATING COMPANIES:**

Allianz – Individual	Metropolitan Life - Individual: Tax Qualified
Bankers Life and Casualty – Individual: Tax Qualified	Monumental Life – Individual: Tax Qualified
CNA –Individual/Group: Tax Qualified	Penn Treaty Network America - Individual
Genworth – Individual: Tax Qualified	Prudential Ins. Co of America – Tax Qualified
John Hancock – Individual: Tax Qualified	State Farm – Individual: Tax Qualified
Transamerica – Individual: Tax Qualified	United Teachers Associates Insurance Company
MedAmerica – Individual & Group: Tax Qualified	

Sixteen companies provided data during Quarter 3, 2009.

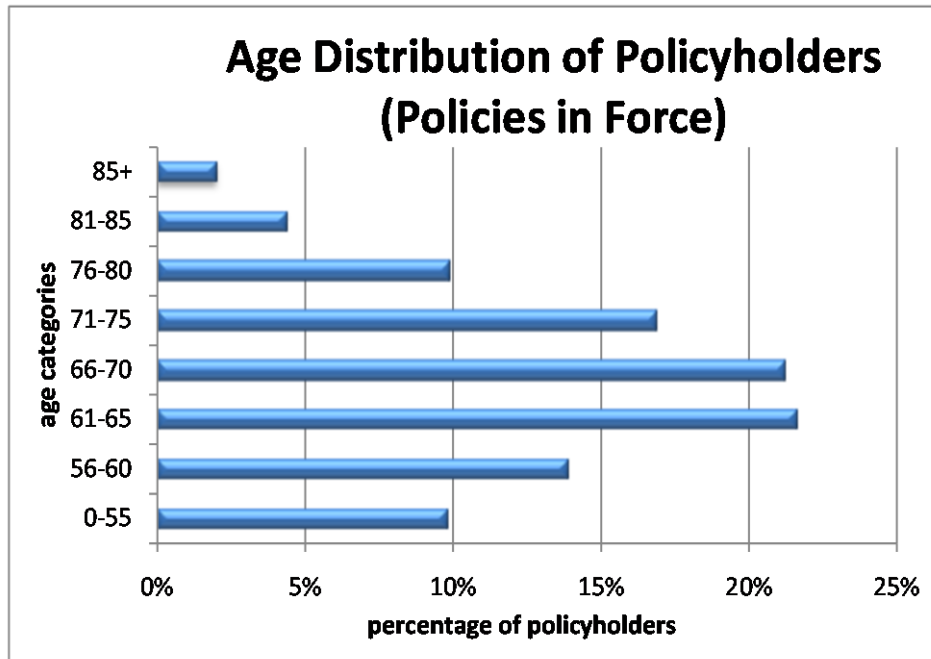
## Age Distribution of Partnership Policyholders at Time of Purchase

Age Range    Average Age

Policy Category	Low	High	
Individual Policyholders	18	89	61.05
Group Certificate holders	23	75	50.38
Organization Sponsored	20	84	57.12
All Insured	18	89	60.78

### **Age Distribution of Policyholders (Policies in Force)**

Age Category	Percentage of Policyholders
86+	1.95%
81-85	4.25%
76-80	9.75%
71-75	16.62%
66-70	21.80%
61-65	21.79%
56-60	14.03%
0-55	9.75%



**Nursing Home Per Diem Amounts (Policies in Force):**

Average Amount:     \$137.15

Mode: \$150.00 (11.03% of all purchasers)

**Home Care Per Diem Amounts (Policies in Force):**

Average Amount:     \$126.66

Mode:                 \$150.00 (9.33% of all purchasers)

**Elimination Periods (Policies in Force):****Nursing Homes:**

0 days	1,589 (4.30%)
9 days	1 (0.01%)
15 days	43 (0.12%)
20 days	1,128 (3.05%)
30 days	5,290 (14.31%)
45 days	686 (1.86%)
50 days	1,736 (4.69%)
60 days	1,285 (3.47%)
90 days	14,146 (38.25%)
100 days	10,251 (27.72%)
120 days	2 (0.01%)
180 days	803 (2.17%)
365 days	2 (0.01%)

**Home and Community Care:**

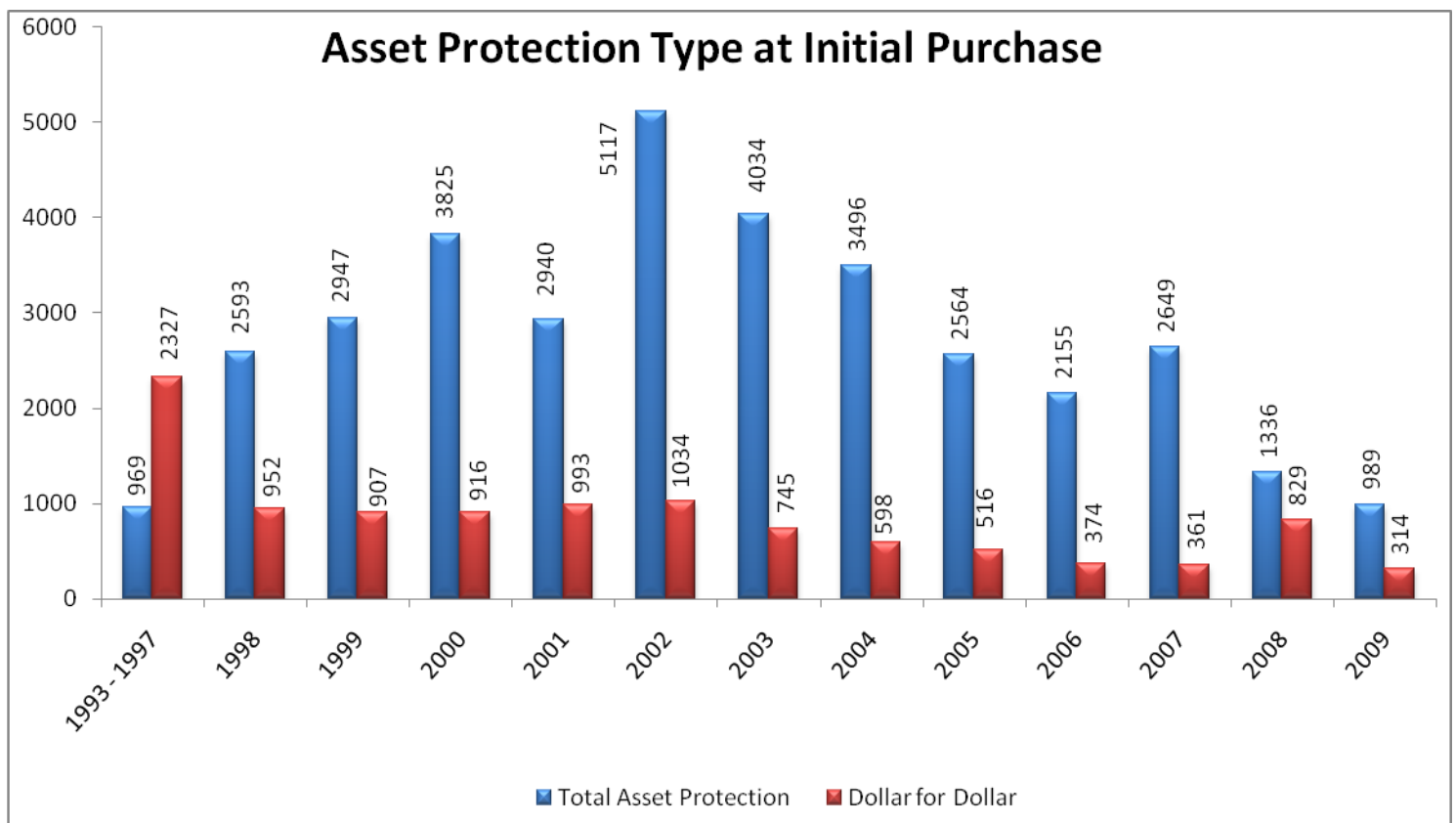
0 days	13,306 (35.98%)
10 days	3 (0.01%)
14 days	209 (0.57%)
15 days	29 (0.08%)
20 days	949 (2.57%)
30 days	4,114 (11.13%)
45 days	681 (1.84%)
50 days	25 (0.07%)
60 days	935 (2.53%)
90 days	8,956 (24.22%)
100 days	3,915 (10.59%)
180 days	628 (1.70%)
365 days	2 (0.01%)

**Riders:**

Non-Forfeiture	166	(0.45%)
Restoration of Benefits	462	(1.25%)
Spousal Benefit Enhancement	719	(1.94%)
Other Riders	1,043	(2.82%)

### Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 3-2009	Cumulative at Time of Purchase
Policies Purchased by Quarter	465
Policies Purchased by Cumulative	46,525
Total Asset Protection by Quarter	373
Total Asset Protection by Cumulative	36,148
Dollar for Dollar by Quarter	92
Dollar for Dollar by Cumulative	10,377



\*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.



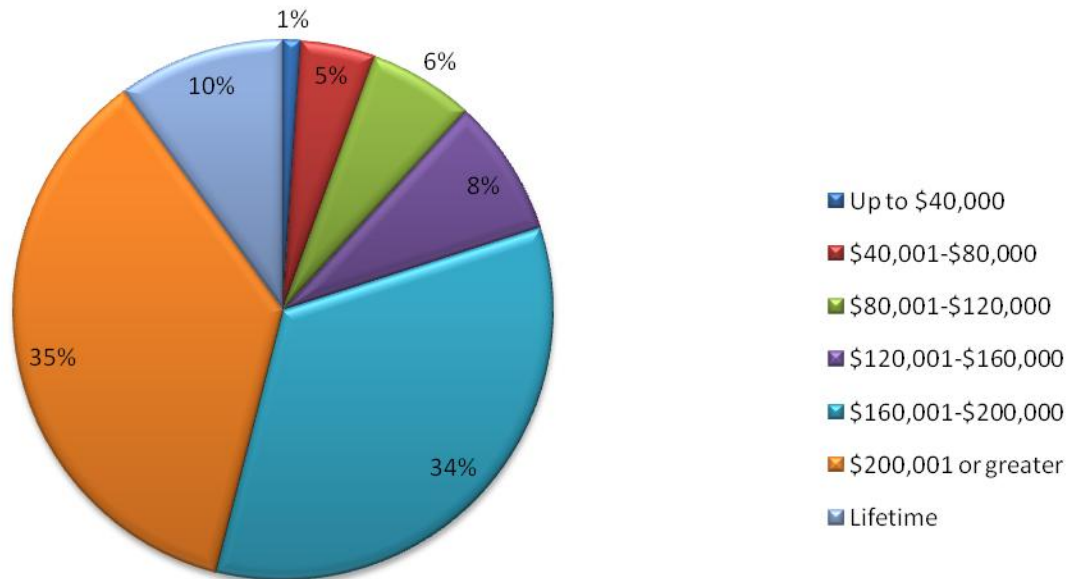
**Maximum Policy Amount of Policies in Force:**

**Range:** \$21,977 - \$6,504,300 (plus 3,896 lifetime policies)

**Average amount:** \$196,908 (not including lifetime policies)

**Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)**

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$40,000      Approx: (1 yr)	369 (1.00%)
\$40,001 - \$80,000    (2 yrs)	1,597 (4.32%)
\$80,001 - \$120,000   (3 yrs)	2,280 (6.17%)
\$120,001 - \$160,000   (4 yrs)	3,040 (8.25%)
\$160,001 - \$200,000   (5 yrs)	12,572 (34.00%)
\$200,001 or greater   (6 yrs +) (excluding lifetime)	13,225 (35.76%)
Lifetime Policies	3,896 (9.99%)



## Policyholders in Benefit Information as of September 30, 2009

### Benefit Status

Number of policyholders, to date, who have received benefit payments.	810
Number of policyholders in benefit as of Quarter 3, 2009.	282
Number of policyholders that received benefits and have died.	286
Number of policyholders, to date, who have exhausted their benefits and applied to Medicaid	36 (61 Exhausted)

Asset protection earned by policyholders to date.	\$39,242,151.89
Asset protection earned to date that will not be accessed (policyholders who have died)	\$11,112,875.07

### Service Utilization

<b>Type of Service*</b> (other than case management)	<b>QTY</b>	<b>% of Total Claimants by Type of Service **</b>
Nursing Home Care	538	66.42%
Home Health Aide – hourly care	66	8.15%
Home Health Aide – daily care	86	10.62%
Attendant Care	3	0.37%
Other Institutional	0	0%
Hospital Bed Hold	123	15.19%
Assisted Living	185	22.84%
Adult Day Care	9	1.11%
Personal Care	34	4.20%
Alternate Level of Care	4	0.49%

\*These categories are not mutually exclusive; therefore, percents shown will not total 100.

\*\*This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

**CLAIMANT PROFILE**  
**Cumulative Aggregate of All Policyholders Who Used Benefits**  
**As of September 30, 2009**

Gender	Female	72.10%
	Male	33.70%
Marital Status	Not Married	41.60%
	Married	53.83%
	Unknown	4.81%
Average Age At The Time Of Policy Purchase		72
Average Age At The Time Of Claim		78.5
Age Range At Time Of Claim	Range =	44 – 97
	Mean =	79.6
	Median =	79
Policy Type Owned:	Nursing Home Only	28.77%
	Nursing Home & Home Care	74.32%

Average time elapsed between purchase date and claim date was 88.80 months (7.4 years)